

December 21, 2009

Date..... RESOLUTION APPROVING CHRIST THE KING HOUSING SERVICES APPLICATION FOR ENTERPRISE ZONE BENEFITS FOR A HOUSING PROJECT IN THE MCKINLEY AVENUE SW 9TH-ARMY POST ROAD ENTERPRISE ZONE

WHEREAS, on September 14, 1998 by Roll Call No. 98-2603, the Des Moines City Council established the Des Moines Enterprise Zone Commission ("Commission"), and on October 27, 2008 by Roll Call No. 08-1910, the City Council designated the McKinley Avenue-SW 9th-Army Post Road Enterprise Zone, which the State of Iowa subsequently certified, all pursuant to Iowa Code sections 15E.191-96 (2001); and

WHEREAS, Christ the King Housing Services, a developer, requests approval of its application for enterprise zone benefits for a project in the McKinley Avenue-SW 9th-Army Post Enterprise Zone involving investment of approximately \$5.9 million into the construction of 28 residential units at 5711 SW 9th; and

WHEREAS, the Christ the King Housing Services application appears to meet all of the requirements for enterprise zone benefits as described in the staff report attached as Exhibit "A"; and

WHEREAS, Council is requested to recommend approval of the Christ the King Housing Services application for Enterprise Zone benefits to the Commission as well as the Iowa Department of Economic Development ("IDED"), which administers the State of Iowa Enterprise Zone Tax Credits.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that:

- 1. The staff report describing how the Christ the King Housing Services application meets the requirements for enterprise zone benefits, herein referenced as Exhibit "A", is accepted.
2. The Christ the King Housing Services application is recommended for approval to the Des Moines Enterprise Zone Commission and to IDED.
3. The Office of Economic Development is directed to transmit a copy of this Roll Call to the Commission and to IDED and to conduct project compliance monitoring.
4. Upon IDED approval of the application, the Mayor is authorized to execute and the City Clerk is directed to attest to his signature on any documents necessary for Christ the King Housing Services to receive enterprise zone benefits.

(Council Communication No. 09-883)

APPROVED AS TO FORM:

Moved by _____ to adopt.

[Signature]
Michael F. Kelley, Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, HENSLEY, KIERNAN, MAHAFFEY, MEYER, VLASSIS, and TOTAL.

MOTION CARRIED APPROVED

Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

City Clerk

25

DES MOINES GATEWAY ENTERPRISE ZONE

Staff Report Regarding Application for Housing Benefits

Applicant Name: Christ the King Housing Services

Project Location: 5711 SW 9th Street, Des Moines, Iowa

Project Summary: The proposed project is the construction of 28 apartment units at 5711 SW 9th Street. The project will include 1-3 bedroom units, be constructed in compliance with the Iowa Department of Economic Development's "Green Streets" requirements and provide an affordable living opportunity for seniors.

Current Status: Following is a sources and uses chart of project funding.

Funding Sources	Amount	Status	Proposed Uses of Funds	Amount
Low Income Housing Tax Credit Equity	\$ 4,318,050	Application	Land Purchase and Site Work	\$ 582,814
First Mortgage	\$ 317,292	Application	Construction Costs	\$ 3,773,301
State HOME Funds	\$ 660,000	Application	Developer and Consultant Fees	\$ 737,497
City HOME Funds	\$ 250,000	Application	Interim Financing Costs	\$ 257,000
Polk County Housing Trust Funds	\$ 250,000	Application	Architect Fees - Design	\$ 225,000
Enterprise Zone Tax Credit Equity	\$ 90,000	Application	Other Professional Fees (Attorney, Engineer, Accountant)	\$ 100,000
Tax Abatement Loan	\$ 30,000	Application	Operating Reserve	\$ 91,980
Deferred Developers Fee	\$ 30,782		Soft Costs	\$ 143,532
			Tax Credit Syndication Costs	\$ 35,000
PROJECT TOTAL	\$5,946,124		TOTAL	\$ 5,946,124

Start Date: July 2009

Completion Date: August 2010

Total Project Cost: \$ 5,946,124

State Financial Incentive: \$125,000 Investment Tax Credit and \$60,000 Sales Tax Rebate requested.

DES MOINES GATEWAY ENTERPRISE ZONE

Staff Report Regarding Application for Housing Benefits

Benefits: The project will provide an affordable housing option for seniors on the south side of Des Moines, be of quality construction with green design, and offer residents the opportunities to be connected and involved with the local community.

Affidavit: Attached to the application is an affidavit that the eligible developer or contractor has not violated state or worker safety statutes, rules and regulations.

Program Requirements: The project meets the program requirements of rehabilitating or constructing three or more multi-family units. Rehabilitation and construction will be completed within two years from the start of construction and will meet all applicable housing quality and local safety standards.

Commission Requirements: There is no recognized neighborhood association in this area, but the owner will contact the closest association, Watrous South Neighborhood Association, and provide a summary of the proposed project to the association.

Recommendation:

Staff recommends approval of the application and submittal to the Iowa Department of Economic Development for consideration.

Respectfully submitted,

Rita Conner
Economic Development Coordinator